

## Michael L. Ducker

### ***Executive Vice President, International***

FedEx Express

Michael L. Ducker is executive vice president, International of Memphis-based FedEx Express, the world's largest express transportation company. The 46-year old Ducker was named to his current position in December 1999 after serving as President of the company's Asia Pacific Division.

Mr. Ducker worked his way up the organization, starting his career as an hourly employee in the company's Memphis hub in 1975. In 1979 he became a manager in the hub, quickly followed by promotions to senior manager in 1980 and managing director in 1983 of the company's Domestic Ground Operations Division. After holding positions in Houston, Atlanta and Memphis, Mr. Ducker made his entry into international operations in 1991 as vice president for southern Europe region, based in Milan, Italy.

In 1992, he assumed the South Pacific/Middle East regional vice president's role and in 1995 was appointed senior vice president of the Asia Pacific Division. Ducker was then named president of the Asia Pacific Division, headquartered in Hong Kong in 1998. Under his leadership, the intra-Asia network was launched and has grown well in the past few years, contributing to the improved international network and results for the company.

A native of Chattanooga Tennessee, the 46-year old Ducker attended the University of Mississippi and Memphis State University. He earned his MBA from Northwestern's Kellogg School of Management and Hong Kong University of Science and Technology. Mr. Ducker serves on the board of directors for Georgia Alliance for Children and is a Thirty-Second Degree Mason.

FedEx Express is one of five business units of FedEx Corporation, a **\$17-billion** global transportation and logistics holding company. Founded in Memphis, Tennessee, in 1973, today FedEx Express delivers approximately three million times to 210 countries every business day, with the reliable, door-to-door, customs-cleared service, FedEx Express also utilizes one of the world's largest interactive computer networks and maintains electronic connections with more than one million customers.

**TESTIMONY OF  
MICHAEL L. DUCKER  
EXECUTIVE VICE-PRESIDENT, INTERNATIONAL  
FEDERAL EXPRESS CORPORATION**

**Before the U.S. Trade Deficit Review Commission**

Mr. Chairman and Members of the Commission:

I am pleased and honored to have the opportunity to appear before you today to express the views of FedEx Corporation on the critical issue of the U.S. trade deficit. I am certain that you will be receiving input from economists and academicians about the relevance of our trade deficit to our economic prosperity. I don't pretend to be an economics expert, and I will leave it to others to address the theoretical implications of a long-running and significant trade deficit on our economy. As a company heavily involved in facilitating the movement of goods around the world, I intend to focus my remarks on the critical need to open markets abroad and to maintain a viable and workable world trading system that allows U.S. companies to compete on an equal basis with its foreign competitors.

FedEx has operations in over 200 countries around the world, generating revenues of more than 16 billion dollars, and employing well over a hundred thousand American workers. Our viability as a company depends on a trading system that is open and fair -- not only to our services but also to the goods we carry. While we do face obstacles in many countries around the world, we have made significant progress, through the World Trade Organization (WTO) and a number of bilateral initiatives, in reducing those barriers. Our biggest fear at this moment is that opponents of free trade seem to be making headway in convincing policy makers that our trade deficit is an excuse to close markets at home rather than working even harder to reduce foreign barriers to U.S. exports.

We can't let that happen. It is high time that we focused our efforts on making sure that Americans understand how and why free trade works to their benefit. We need to show the country that we are prepared to do everything we can to encourage export opportunities for U.S. businesses in international markets. We need to review our tax and other policies to eliminate barriers to competitive opportunities for U.S. businesses. We also need to focus on the transportation and related services that make those opportunities realistic for U.S. exporters.

Those transportation and facilitation services are critical to the competitiveness of U.S. exports. We have made that a goal of our company and are proud to state that we carry nearly three times as many U.S. express export shipments as our nearest competitor. Put simply, where FedEx flies, U.S. exports follow.

decisions on how to operate in China would be based on commercial considerations, not determined by government fiat.

Even within our own country many do not realize the rapidly changing nature of world trade and the increasingly critical role of integrated air express. At present almost 40 percent of the value of all world trade goes by air. Representing only some two percent of the tonnage of trade, air shipments clearly account for the high value end of production.

Today's trends in e-commerce and just-in-time logistics underlie the phenomenal expansion of the integrated air express industry and reinforce growing requirements for fast, time-definite transportation of cargo from door-to-door. Air express is both a cause of, and a response to, the changing nature of competition in international markets. The ability to ship packages to destinations around the world in only hours or days widens the field of competition in all industries and accelerates the pace of commerce.

No country can expect to operate a modern economy or be at the forefront of trade in the 21<sup>st</sup> century without a strong air express service. China is no exception. At present, outside of WTO discipline, China is a hodgepodge of regulatory barriers to efficient air express service, and many, if not most, of these barriers would be reduced or eliminated if the United States fulfills the terms of its bilateral agreement and provides PNTR status to China. On the other hand, if we fail to do so, the United States will be the only major country that will not benefit from the market opening initiative. The effect on our trade deficit will be severe.

I have spent a good deal of time discussing the China PNTR issue because I believe it most clearly addresses the choices that this country is facing from a trade policy perspective. We can either turn inward to try to preserve the status quo or we can aggressively move forward to open the world trading system to greater opportunities for U.S. companies and workers. Many of the same issues surface in the debate on providing "fast-track" negotiating authority to the President, launching a new round of multilateral trade negotiations under the WTO, and negotiating an expansion in the coverage of the existing NAFTA agreement. In each case, we believe that U.S. interests will be better served by moving toward greater trade liberalization. In our judgment, these bold moves will build a stronger U.S. economy and reduce the size of our trade deficit.

Thank you for giving me the opportunity to appear before you today to share our thoughts with you.